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UNCLAS SECTION 01 OF 02 TEGUCIGALPA 001311

SIPDIS

DEPT. FOR WHA/PD; IIP/G/WHA DIPASQUALE; AND IIP/T/ES  
DEPT. FOR PM AND EB/TRA  
DEPT. FOR WHA/EPSC, WHA/PPC AND WHA/CEN

E.O. 12958: N/A

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SUBJECT: MEDIA REACTION ON MCC AND G-8, JUNE 17, 2005

1. Op-ed by Tulio Mariano Gonzales Garcia in San Pedro Sula-based liberal daily "Tiempo" on 6/17, entitled "From Debt Relief to Development." "The verbal campaign for relieving the suffering of the poor moves forward while, at the same time, achieving the goal of the Millennium to reduce extreme poverty by half has not been clear. Under these circumstances, the currently poor conditions can be turned around to become opportunities as long as the ultraliberal globalization dogma is not imposed along with its ability to generate conflicts and polarization."

"Honduras received with satisfaction the news about the G-8 group's decision to cancel 100% of the debt for highly indebted poor countries which amounts to \$1.2 billion. Additionally, the Millennium Challenge compact for \$215 has been signed to improve basic infrastructure, especially the construction of highways, health facilities, schools and much more. Mr. Ricardo Maduro is relatively correct when he asserts that the next administration will be working under better conditions."

"Various conditions are nonnegotiable in order to enjoy the new funds. First among them is the fight against corruption. People are familiar with the modus operandi of the elite, which exploits, accumulates, and cheats in anyway to eat away at the public funds."

"A multitude of citizens in the impoverished countries believe that debt relief is only a small step towards compensation for the historical exploitation as well as small step towards avoiding a worsening of the crisis, fighting centuries of hate, division, greed and corruption."

2. The San Pedro Sula-based liberal daily "La Prensa" published an editorial entitled "Strategy against poverty." "We Hondurans are skeptical towards the real and positive effects of the debt forgiveness, even more when politicians try to take advantage when a government or credit organisms forgives debts."

"This debt forgiveness is supposed to be used in the poverty reduction strategy, a plan which we don't know who is executing, has invested in and what are the short and medium-term projections. That same thing happened with the debt forgiveness in the 'Stockholm Summit.' Did the money come to the country or not? If it came, who managed it? What was the total amount?"

"The G-8 forgiveness was produced later when the rich nations verified through thorough analysis that Honduras deserved to be part of the less-honored 'miserable club.' The World Bank and the IMF influenced the approval of the application of harsher economic and fiscal measures which Cardinal Rodriguez thinks is stained with the blood and pain of the poor and has served to enrich a few."

"Hondurans have paid a high economic and social cost in comparison to the debt forgiveness amount. The former government raised sales taxes from 7 to 12% and since the 90's until now the people have supported eleven 'economic structural adjustments.' Result: today we are poorer than before, even though a transparent, clean, pragmatic administration and efficient use of saved resources in servicing debt can and should reverse the situation."

3. Op-ed by Gloria Leticia Pineda in "Prensa" entitled "Moving debt's phantom further away." "It is a hard task but not an impossible one if the government and the people propose to correct it. We have to understand our reality: we are born poor and must live poor. If we continue to be enemies with each other it would be more difficult. It is a commitment for all, for the well being of all."

"Some still don't understand that the debt forgiveness is 'money that has already flown away.'"

"President Maduro's economic team is composed of honorable people, capable and committed to the mission. Being popular is not their interest; they want to do their jobs objectively. They helped President Maduro in structuring 'the intentions letter' which was a 'green light' in

obtaining the debt forgiveness. Even though the general public doesn't see it, the economy has improved."

"Newspaper `El Herald' had the first scoop of the \$215 million given by the MCC. Our country presented four projects, two were approved, and one refers to roads infrastructure, specifically the ones that connect with agricultural markets. We are not naturally distrustful; we prefer to expect the bad. A miracle happened even if we hardly understand it we conquered credibility. Then came the G-8 debt forgiveness surprise."

"We seize this run of good luck by responding with responsibility and dignity. If we are patriots it will be easy."

Pierce